

# **MINUTES OF MEETING**

## **RHODE ISLAND AIRPORT CORPORATION**

### **FINANCE AND AUDIT COMMITTEE**

**THURSDAY, SEPTEMBER 17, 2015, AT 3:00 P.M.**

**IN THE MARY BRENNAN BOARD ROOM,**

**T. F. GREEN AIRPORT, 2000 POST ROAD**

**WARWICK, RHODE ISLAND**

**The meeting of the Rhode Island Airport Corporation (“Corporation”) Finance and Audit Committee was called to order by Chair of the Committee, Deborah M. Thomas, at 3:08 p.m., in the Mary Brennan Board Room at T. F. Green Airport, 2000 Post Road, Warwick, Rhode Island, in accordance with the notice duly posted pursuant to the Open Meetings Law.**

**COMMITTEE MEMBERS PRESENT: Deborah M. Thomas and Jon Savage.**

**COMMITTEE MEMBERS ABSENT: None.**

**BOARD MEMBERS PRESENT: Paul Carroll and Christopher Little.**

**ALSO PRESENT: Kelly J. Fredericks, P.E., A.A.E., President and CEO; and those individuals listed on the attendance sheet attached hereto.**

## **1. Approval of the Minutes:**

**A motion was made by Mr. Savage and seconded by Ms. Thomas to approve the Minutes of the Finance and Audit Committee Meeting of June 29, 2015. The motion was passed unanimously.**

## **2. Report from the CFO.**

**There was no report.**

## **3. Action Item:**

**(a) Consideration of and Action Upon Draft Fiscal Year 2015 Audited Financial Statement and Related Reports.**

**Mr. Schattle introduced Mr. Scott Bassett, a partner at McGladrey LLP. Mr. Bassett stated that an independent audit was conducted and the report contains an unqualified and clean opinion. Mr. Bassett gave an overview of the process noting that all areas of the financial statements are reviewed and management and the finance team provided complete and accurate information. It was also noted that as required, GASB 68 was adopted and implemented resulting in the addition of a net pension liability of approximately \$2 million and additional note disclosures. Mr. Bassett stated an audit of the Federal Financial and Compliance Program and the Passenger Facility Charge Program were completed, as required, and received**

clean unmodified opinions. Mr. Schattle noted the Financial Statements will be finalized and issued to the State Auditor General by the September 30th deadline.

Ms. Williams gave a detailed overview of the financial statements. Ms. Williams noted there is a significant increase in accounts receivable due primarily to awaiting Federal Aviation Administration funding for the Airport Improvement Program.

Ms. Williams noted additional line items have been added to the Statement of Net Position as a result of GASB 68, deferred outflows of resources which consist of deferred pension expense and will be recognized as expense in future periods. Also added were deferred inflows which consist of a deferred pension credit, resulting from changes in assumptions and differences between projected and actual earnings and experience of the pension plan.

Ms. Williams noted that a net pension liability has been added to Liabilities representing RIAC's proportionate share related to its participation in the Employee Retirement System of the State of Rhode Island, as a result of adopting GASB 68. It was noted that RIAC's proportionate share is .11% of the plan.

Ms. Williams provided an overview of revenues and noted that there was an increase in operating revenues due primarily to the inclusion of debt service related to the Deicer Management System in airline revenues.

**Ms. Williams noted there was a decrease in parking revenue driven by the decrease of enplanement levels and a relocation of customer employee parking from an airport parking facility to the InterLink garage. Parking revenue at the InterLink has increased due to this relocation.**

**Ms. Williams reported there was an increase in employee wages and benefits expense due primarily to snow removal overtime, increased health insurance premiums, scheduled employee wage increases and additional personnel for the operation of the Deicer Management System. It was noted there is corresponding savings in contracted services expense in the supplies, materials, and services line item. It was noted that other operating expenses increased due to utility rate increases and airline advertising. Ms. Williams also reviewed non-operating revenue and expenses and noted an increase as a result of the full year impact of the increase to the Customer Facility Charge rate.**

**Ms. Williams gave an overview of the Federal Financial and Compliance Report noting a clean opinion was issued.**

**Mr. Schattle gave an overview of the Passenger Facility Charge Program Report noting a clean opinion was issued.**

**Ms. Thomas thanked Ms. Williams and Mr. Schattle and commended**

**them on good disclosure and transparency.**

**A motion was made by Mr. Savage and seconded by Ms. Thomas to approve the Draft Fiscal Year 2015 Audited Financial Statements, Federal Financial and Compliance Report, and the Passenger Facility Charge Program Report, substantially in the form presented to the Committee, subject to Board approval.**

#### **4. Future Meetings:**

**The next meeting will be announced.**

#### **5. Adjournment:**

**Mr. Savage moved to adjourn at approximately 3:47 p.m. The motion was seconded by Ms. Thomas.**

**Respectfully submitted,**

**Deborah M. Thomas, Chair  
Finance and Audit Committee of  
the Rhode Island Airport Corporation**



**ATTENDANCE SHEET  
RHODE ISLAND AIRPORT CORPORATION  
FINANCE AND AUDIT COMMITTEE  
SEPTEMBER 17, 2015**

**Brian Schattle   RIAC**

**Peter Frazier   RIAC**

**Patricia Goldstein   RIAC**

**Nicole Williams   RIAC**

**Liberty Luciano   RIAC**

**Doug Dansereau   RIAC**

**Sherri Ann Penta   RIAC**

**Bruce Wilde   RIAC**

**Robert Goff   New England Parking**

**Scott Bassett   McGladrey LLC**

**Ike Papadopoulos   TD Securities**